



From the office of **State Controller Kathy Augustine**

PRESS RELEASE

For Immediate Release

www.controller.nv.gov

Contact: Teresa Moiola
(775) 684-5611 Phone
tmoiola@controller.state.nv.us

CONTROLLER'S OFFICE EXPANDS STATEWIDE NSF FEE *Debt Collection Program Grows as More Agencies Sign On*

Carson City, NV. June 16, 2005. State Controller Kathy Augustine was successful in obtaining legislation that expands the statute allowing the State Controller's Office to set a non-sufficient funds (NSF) fee. Senate Bill 112 makes the \$25 fee now applicable to any method of payment returned, or otherwise dishonored, including credit card and electronic payments.

"This new statute will ensure consistency in the handling of returned forms of payment whether they are checks, credit cards or made electronically," said State Controller Kathy Augustine. "This change creates a way for the State to recoup associated costs when credit card and electronic payments are returned."

Bank of America charges the State of Nevada a fee for all forms of returned payments, some as high as \$15 per returned transaction. Staff time is also spent tracking and collecting these returned payments. This legislation becomes effective on July 1, 2005.

"Citizens and businesses need to know that if they present the State with a non-sufficient funds payment, no matter what type it is, they are now subject to the \$25 NSF fee," said Augustine.

The State Controller's Office continues to expand its debt collection program as new agencies sign on to use the service. Currently, 25 state agencies, boards and commissions have signed inter-local agreements to utilize the State Controller's Office to collect their overdue receivables. This represents an increase of seven agencies over the past year. (See attached list of participating agencies.)

-more-

Statewide NSF Fee Expanded

2-2-2

During the 2005 Legislative Session the State Controller's Office also sought legislation that would have reduced the cost of administering the debt collection program. Senate Bill 48 would have allowed the Controller's Office to pass on more fees to debtors, however it died on the Chief Clerk's desk in the Assembly after passing out of both the state Senate and Assembly Ways and Means Committee. Currently, the State Controller's Office can only pass on collection fees to a debtor if they owe more than \$200, the bill would have lowered the threshold to \$100. Only a maximum amount of \$25,000 in fees can be passed onto a debtor, the bill would have raised that amount to \$50,000.

Collection rates based upon the threshold would have generated an additional \$48,000 in revenue for the State. It is estimated the State has lost over \$11,000 in collections to date with the \$200 cap. Additionally, by increasing the maximum charge for fees that can be passed onto a debtor the state could have saved up to \$25,000 on large settlements. Nevada has lost \$25,000 in collection revenue because of the maximum charge cap.

The State Controller's Office debt collection program has collected over \$4 million in past due receivables owed the State of Nevada that would have otherwise gone uncollected since the program's inception.

###